

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF)	APPEAL NO. 13-A-1069
BLANCHARD LILA GAY NELSON TRUST from)	
a decision of the Fremont County Board of)	FINAL DECISION
Equalization for tax year 2013.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 10, 2013 in St. Anthony, Idaho before Board Member David Kinghorn. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Emily Jones appeared at hearing for Appellant. Assessor Kathy Thompson and Appraiser Jeremy Dixon appeared for Respondent Fremont County. This appeal is taken from a decision of the Fremont County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP003420010010.

The issue on appeal is the market value of an improved rural residential property.

The decision of the Fremont County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$76,394, of which 4.61 acres is assessed as agricultural land at \$254, one (1) acre is assessed as a rural residential homesite at \$76,140, and one (1) acre is assessed as waste land, or zero value. The improvements include a residence assessed at \$98,561 and an outbuilding improvement assessed at \$1,370. Subject's total assessed value is \$176,325. Appellant requests the land value be reduced to \$39,815, with no other changes, totaling \$140,000.

The subject lot totals roughly 6.61 acres along the Fall River. The parcel is improved with a two-story residence 1,360 total square feet in size. Other improvements include a 588 square foot carport and two (2) outbuilding structures. Appellant explained subject is essentially used as a public recreation area during the summer months. During these times, Appellant reported

upward of 50 cars a day would come to enjoy the adjacent river and jump off the bridge used to access subject. Appellant cited this as a negative value influence and something which should be considered in subject's assessment.

Appellant questioned subject's \$76,140 assessed homesite value compared to homesite assessments of several nearby properties. The first compared property was a 4.32 acre improved residential parcel located in subject's immediate proximity. The homesite was assessed at \$14,550. The next compared homesite was also assessed at \$14,550. The third compared parcel was a 15.4 acre improved tract with an assessed homesite value of \$54,320. Lastly, Appellant pointed to a 3.05 acre lot assessed at \$134,655. Respondent did not have detailed information available regarding the properties referenced by Appellant, but maintained there must have been good cause for the different homesite values.

Respondent explained recent sales along the Fall River were nonexistent. As a result, Respondent developed its Fall River waterfront land value schedule using sales located on the nearby Snake River. Three (3) such sales occurred during 2011 and formed the primary basis for subject's homesite value. Sale Nos. 1 and 2 were multiple lot transactions, and improvements were also included. After removing improvement values, Respondent calculated a land residual value of \$194,115 for the 5.69 acre Sale No. 1, and \$115,060 for Sale No. 2, which was a 40 acre parcel. Sale No. 3 represented the sole unimproved waterfront sale in Respondent's data set. The 2.28 acre lot sold in September 2011 for \$130,000.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving

full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires all property be assessed at market value annually on January 1. Idaho Code § 63-201 defines market value as;

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant pointed to assessed homesite values of properties near subject and questioned why subject’s homesite was assessed higher. Of particular concern were two (2) homesite assessments in subject’s immediate area for roughly \$15,000 each. Appellant also explained subject was negatively influenced by a heavy amount of summertime visitors who come to swim in the river. Respondent stated the public influence was factored into the analysis, though details regarding a corresponding adjustment were not shared.

During the Board’s review it was discovered the assessment printouts provided by Appellant reflected older 2012 values. It is not known if the values changed for 2013. Regardless, a comparison of assessed values is generally not considered good evidence of market value.

There are three (3) primary methods for determining market value: the cost approach, the income approach, and the market data (sales comparison) approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Appellant’s method of comparing assessed values falls outside these generally accepted valuation methods.

Respondent explained the water-influenced land value schedule was developed from the

most recent riverfront sales available, which in this case were from 2011. There were three (3) riverfront sales, with two (2) of the transactions involving multiple lots. It was not apparent in the record how Respondent allocated the total sale price to the different components when calculating residual land values for comparison with subject. The third sale was the only unimproved riverfront sale. The 2.28 acre parcel sold for \$130,000, or \$57,017 per acre. Appellant challenged the comparability of the sales because they were all located on the Snake River, which was regarded as superior to subject's Fall River location. Appellant also argued sales information from 2011 was too stale for use in determining subject's current value.

Like Appellant, the Board has concerns with the comparability of a couple of Respondent's sales. The first issue concerns both Sale Nos. 1 and 2. Both were improved and both transactions involved multiple parcels. It was not clear how Respondent allocated the purchase price to the various components included in the sales. Sale No. 3, which sold for \$57,017 per acre, was the most comparable to subject. The primary concern expressed by Appellant was this sale's location on the Snake River. While there likely is a value difference between parcels on the Snake River and those situated on Fall River, no specific value disparity was demonstrated. Neither party provided an estimate of an appropriate value difference between the two (2) locations, so the Board has no support for adjusting subject's homesite value on this basis.

Respondent used the only available comparable sales information to arrive at subject's homesite value. The Board was left with some questions concerning how specifically the sales were used. More details would have been helpful. Under the circumstances, however, the Board does not find error in the assessed homesite value. Appellant failed to offer a better-

supported value position and therefore did not satisfy the burden of proof, which requires error be shown by a preponderance of the evidence. See Idaho Code § 63-511.

Based on the above, the decision of the Fremont County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Fremont County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 7th day of January, 2014.